

Center for Social Studies Education

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Jerold M. Starr, Director

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Mr. Michael Copps
Commissioner
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

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Distribution Center

February 17, 2003

Dear Commissioner Copps:

I am writing to you as the leader of what was the Save 16 (WQEX-TV Pittsburgh) Campaign. We are grateful to you for your thoughtful dissent to the unprecedented dereservation of a much valued noncommercial educational frequency and waiver of the regulation requiring competing applications for said vacancy (MM Docket No. 01-276, July 18, 2002).

Frankly, the hundreds of people involved in our campaign were stunned that the FCC could ignore the fact that at least one educational institution already had offered to assume responsibility for Channel 16* and that WQED CEO George Miles was on the record as rejecting any offers from not-for-profit institutions because they could not put up the kind of money he was seeking from a commercial bidder.

We expressed concern about this radical departure from existing policy, but the Republican majority justified their decision as a "last resort" to address the "severe financial distress" of WQED's alleged nine million dollar debt. The FCC also noted WQED's claim that prospective buyer, Diane Sutter of ShootingStar, Inc, deserved special consideration because she was a woman owner with Pittsburgh roots.

Given that context, what has transpired in the seven months since this ruling should be of interest to all the commissioners. First, the station that had boasted to the FCC that its previous name change from WQED Communications, Inc. to WQED Pittsburgh signaled a commitment to local community service paid out \$300,000 to a "branding" service to develop a new logo, slogan and name: "WQED Multimedia." As for their dire straits, WQED's 2003 budget was approved (9/27/02) without anticipating the sale of Channel 16 and still allocated \$1 million for building improvements.

On November 23rd, WQED rejected Ms. Sutter's request to restructure the deal. The original deal called for \$17.5 million at closing and a \$2.5 million promissory note to be paid out over seven years. The new proposal offered \$14 million at closing and a promissory note of \$6 million over a five-year period. Although the new deal would have wiped out WQED's \$9 million debt, put \$5 million into reserve and delivered the balance

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two years before the previous deadline, CEO Miles rejected it outright, stating: "We are not going to accept more paper. That's the bottom line."

After promising the public news on its alleged eleven inquiries and two bids (12/24/02), WQED indicated on January 24th that it would not be selling the station anytime soon. WQED Multimedia Board Chair Herbert Bennett Conner stated: "*We're not under any pressure to liquefy our asset.*" Miles indicated that they are prepared to wait until "the economy turns" or "the FCC changes the rules" on media ownership, however long that may take. Meanwhile, the Pittsburgh community is now in its seventh year of WQED's total simulcasting of Channel 13 content on Channel 16. Surely, a rulemaking is called for here.

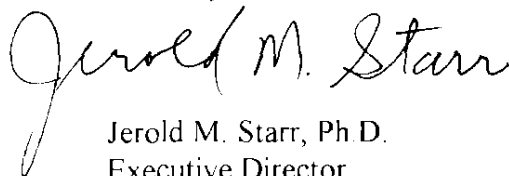
Assuming the original decision was made in good faith, it should be distressing for our custodians of the airwaves to learn how they have been bamboozled by the exaggerated claims of overpaid executives seeking a private windfall because of their station's long history of mismanaging a public trust. We sincerely hope that the next dereservation application's claims of "severe financial distress" will be dealt with more cautiously.

Beyond that, we also wish to add our voices to the millions of others who actively oppose an unjustified lifting of ownership caps that will further open the floodgates to greater media consolidation. The vertically integrated media giants continue to grow while not-for-profit cultural institutions try to cope with ever shrinking budgets. The few public stations dedicated to education, rather than profits, are being forced to retreat from their mission and loom as plum pickings for commercial interests. There is a public interest and the people's government has a mandate to protect it.

Please enter this letter as evidence into the MM Docket No. 01-276 case record and the ongoing hearings on big media deregulation.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jerold M. Starr". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Jerold M. Starr, Ph.D.
Executive Director
Citizens for Independent Public Broadcasting
Mt. Lebanon